

2.4 BENEFITS OR DISADVANTAGES OF RESERVING PROJECT APPROVAL FOR A LATER DATE

Delaying the approval of the Project for a later date would have several disadvantages. First, the utilities to which the Applicant has proposed and/or intends to propose the sale of the Project's output have identified a need to acquire additional energy output within defined periods of time. Typically, utility solicitations (RFPs) specify an on-line date that a proposed project must meet in order to be considered for purchase. If approval of the Project is delayed, these utilities might determine that such delay would cause the Project's on-line date to be beyond the time at which the utilities require additional energy resources and thus would no longer be interested in acquiring the Project's output. This could result in the Project becoming infeasible.

Second, the legislative and executive branches of the State of Washington have both established a variety of policies and goals calling for increasing the percentage of power generated from renewable sources. Washington currently has only two commercial scale operating wind power projects (Nine Canyon and Stateline.) This Project represents a very attractive opportunity to generate substantial amounts of renewable energy at a competitive price. Failure to approve this Project at this time would appear to thwart these established policies and goals. Furthermore, failure to approve this Project at this time could send a negative signal to the wind power development community that might result in fewer wind power projects being proposed and developed.

Finally, several regional utilities have identified a need for renewable wind-generated energy to diversify their resource portfolios. The Project has one of the best wind resources available in the Northwest and thus offers attractive energy pricing that would allow these utilities to meet their portfolio diversification objectives while minimizing costs to their customers. Failure to approve the Project at this time would thus make it more difficult for these utilities to meet their stated goals of cost effective portfolio diversification at a minimum cost to their customers. This would be inconsistent with EFSEC's statutory objective of providing abundant low cost power with minimum environmental impacts.

As described in Section 1.4, 'Description of Alternatives' the Applicant has not yet made a final selection of the precise wind turbine model to be used for the Project. The Applicant has defined the specific range of turbine sizes that are under consideration for the Project (minimum 60 meter rotor diameter to a maximum 90 meter rotor diameter.) The Applicant has solicited bids from the world's leading wind turbine manufacturers and intends to make the final selection based on criteria such as proven performance, resulting energy price, and safety and reliability factors. The final selection of turbine model will most likely be made after the Project is approved by the Governor and a power purchase agreement (PPA) has been signed. This is necessary and typical for wind power project development because placing orders for wind turbines typically requires a substantial financial commitment to the turbine manufacturer that can not be justified until construction of the Project is certain to proceed.

The wind turbine industry is highly innovative and rapidly evolving. Performance continues to improve and the resulting energy prices continue to fall. In the case of a project for which EFSEC site certification is requested, the timeframe for review and approval is sufficiently lengthy that the price and performance characteristics of wind turbines available on the market may and likely will evolve over the course of the application review period. It is thus prudent to reserve the final selection of turbine model until the precise price and performance characteristics can be evaluated at the time a permit is approved. This approach will secure the highest performance turbines at the most competitive price.

Many of the leading turbine manufacturers are not based in the US and thus their prices are based on current exchange rates between the US dollar and the currencies of those countries where the turbine manufacturers are based (e.g. Denmark.) At the time final turbine selection is made, such currency fluctuations must be reviewed to determine which turbine model will result in the most competitive energy pricing.

The Applicant has evaluated the potential environmental impacts of the full range of turbine sizes which are being considered for the Project and for which site certification is being sought. The EIS that will be prepared for the Project will fully address the potential impacts of the full range of turbines being considered. Therefore, EFSEC and the public have the opportunity to analyze and consider the range of potential environmental impacts from the full range of turbine sizes being considered. The net difference in potential environmental impacts resulting from the final turbine model selection within the specified range is minor and insignificant. The Applicant intends to notify EFSEC of the final turbine model selection once the selection has been made and, as part of the normal construction approval process, will provide EFSEC with detailed final construction plans that reflect the turbine model selected.